



CALIFORNIA EMERGENCY MANAGEMENT AGENCY
LOCAL ASSISTANCE MONITORING BRANCH
3650 SCHRIEVER AVENUE
MATHER, CALIFORNIA 95655
PHONE: (916) 845-8120 FAX: (916) 845-8380

September 21, 2009

Mr. James C. Porter, PE
Director of Public Works, San Mateo County
555 County Center, 5th Floor
Redwood City, CA 94063

SUBJECT: AUDIT REPORT FOR THE PERIOD ENDED JUNE 30, 2008

Dear Mr. Porter:

The California Emergency Management Agency (CalEMA) has received and reviewed the County's Corrective Action Plan (CAP), which addresses the November 25, 2008 Management Letter Recommendation 2008-3 from the above subject audit report prepared by Macias, Gini, & O'Connell.

The County's proposed corrective actions include conducting an inventory and status review of each grant, including accounting and reporting, billing and collecting, and award expiration dates to comply with the federal requirements described in CalEMA's August 4, 2009 CAP request letter. The County's corrective action has addressed the conditions described in Recommendation 2008-3. Based on your response, CalEMA anticipates this finding will be resolved and no further action is required at this time.

Should you have any questions or concerns regarding this issue, please contact me at (916) 845-8106 or Catherine.Lewis@oes.ca.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Catherine Lewis".

CATHERINE LEWIS
INTERIM BRANCH CHIEF



"Bob Adler"
<BAdler@co.sanmateo.ca.us>

08/20/2009 11:06 AM

To joel.ryan@oes.ca.gov

cc "Koenig, Doug" <dkenig@co.sanmateo.ca.us>, "Maharaj, Dhurup" <DMaharaj@co.sanmateo.ca.us>, "Porter, Jim" <jporter@co.sanmateo.ca.us>, "Rose, Robyn"

bcc

Subject County of San Mateo Subrecipient Corrective Action Plan

Dear Mr. Ryan,

Attached please find the County of San Mateo's Corrective Action Plan related to your request dated August 4, 2009. I will be sending via U.S. Certified Mail an original copy of our response to you today, except I will not include a hard copy of our Grants Manual because of its size. I have included an electronic copy of the County's Grants Manual in this email.

Please let me know if you have any questions or concerns. I will be out of the office August 29th through September 18th and will not be able to assist you during that period.

*Bob Adler, Assistant Controller
Controller's Office
County of San Mateo
555 County Center, 4th Floor
Redwood City, CA 94063*

*Voice: 650-363-4891
Fax: 650-363-7888
email: badler@co.sanmateo.ca.us
PONY: CTL 135*



CEMA - Subrecipient Corrective Action Plan - County of San Mateo.pdf SanMateoGrantsManual_v098.pdf

Save Paper. Think Before You Print.

Office of Controller



TOM HUENING
CONTROLLER

ROBERT G. ADLER
ASSISTANT CONTROLLER

KANCHAN K. CHARAN
DEPUTY CONTROLLER

COUNTY OF SAN MATEO

555 COUNTY CENTER, 4TH FLOOR • REDWOOD CITY • CALIFORNIA 94063

TELEPHONE: (650) 363-4777

FAX: (650) 363-7888

www.co.sanmateo.ca.us/controller/

August 20, 2009



California Emergency Management Agency
Local Assistance Monitoring Branch
3650 Schriever Avenue
Mather, CA 95655

Dear Mr. Ryan,

Attached please find the County of San Mateo's Corrective Action Plan describing the corrective action taken to bring the County's financial management systems into compliance with those laws and regulations applicable to subrecipients of federal funding. We have also included documentary evidence to verify compliance of Findings that have been resolved.

Please feel free to contact me should you have any questions or concerns.

Very truly yours,

A handwritten signature in dark ink, appearing to be "R. Adler".

Robert Adler
Assistant Controller

Attachments:

- Finding from the County of San Mateo Management Letter for the Fiscal Year Ended June 30, 2008 – Management Letter Recommendation #2008-3 – Grant Tracking *Control Deficiency*.
- Subrecipient Corrective Action Plan (2 copies; original and copy)
- Countywide Grant Manual associated with Activity #1 (sent via email)

County of San Mateo

Subrecipient Corrective Action Plan

Review Period

July 1, 2007 – June 30, 2008

Finding

Management Letter Recommendation #2008-3 – Grant Tracking Control Deficiency

During our audit we requested a reconciliation of the Medical Center's active grants for fiscal year 2008 and noted that management does not have a mechanism in place for efficient tracking and monitoring of individual grant awards and related expenses. Grant revenues are currently recorded in two sub-accounts in the general ledger (2654-Foundation Grants and 2655-All other). Information on individual grants is not readily available, as staff need to analyze numerous transactions in each subunit to determine grant progress.

We recommend the Medical Center's management develop a mechanism for tracking and monitoring individual grants received that will allow information to be provided timely related to grant progress and to assist in periodic reconciliations of grant revenues and expected future expenses. The mechanism should include total grant award; award period; expenses incurred by fiscal year, including general ledger account information; remaining balance to be spent; claims submitted; and outstanding receivable with grantor.

Management Response: Management acknowledges that this is a countywide issue and is being addressed at that level.

Corrective Action

In Progress – The County is currently implementing the Integrated Fund Accounting System (IFAS) grants module and revising its written grants procedure. We understand the new module will go live during fiscal year 2009-10. In preparation for the change, the Medical Center is in process of doing the following:

- DC Maharaj, Medical Center Accounting Manager, is participating on the County's implementation task force
- Conducting an inventory of all Medical Center grants and centralizing the location of all grant award documents in the Accounting Department.
- Circulating detail monthly grant P&L to all grant administrators.
- Conducting a review of the status of each grant, including accounting/reporting, billing/collecting, and award expiration dates.
- Will develop monthly management report to summarize status of each grant (i.e. Are amounts being billed and collected? Will grants be used before expiration?).
- Will revise Medical Center grant procedures based on new County procedures.

Subrecipient Corrective Action Plan

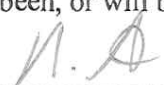
Submit an original and one copy of a "Subrecipient Corrective Action Plan" to the California Emergency Management Agency (CalEMA):

Grant Numbers	Review Period
Various	July 1, 2007 – June 30, 2008

For each review Finding, please provide the following information:

Finding: <i>(please include any identifiers included in the report, along with citations as appropriate)</i> See Attached Letter	
Contact Name & Title: <i>(this is the person(s) responsible for completing resolved or planned corrective action)</i>	Contact Information: <i>(please provide phone number and e-mail address for each contact)</i>
Dhurup C. Maharaj	650-573-2039 dmaharaj@co.sanmateo.ca.us
Robert G. Adler	650-363-4891 badler@co.sanmateo.ca.us
Corrective Action(s): <i>(include specific objectives and activities completed or planned to address the Finding, with actual or estimated dates)</i>	
Objective or Activity:	Date:
Develop Countywide Grants Manual	Completed
Implement Financial System's Grant Module	12/31/2009
Objectives: Grant Manual - To provide a standard process for all County grants that ensures grant compliance. Financial System's Grant Module - to provide a complete inventory of all County grants and associated grant specific activity to ensure consistent and complete reporting.	

Required Signature: The Subrecipient authorized agent certifies that all corrective action(s) have been, or will be, implemented as specified:

 _____ Signature of Authorized Agent	08/20/2009 _____ Date	650-363-4891 _____ Telephone
Robert Adler, Assistant Controller _____ Name and Title of Authorized Agent		

Subrecipient Corrective Action Plan

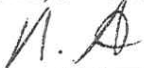
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Dhurup C. Maharaj	650-573-2039 dmaharaj@co.sanmateo.ca.us
Robert G. Adler	650-363-4891 badler@co.sanmateo.ca.us
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Required Signature: The Subrecipient authorized agent certifies that all corrective action(s) have been, or will be, implemented as specified:

 _____ Signature of Authorized Agent	08/20/2009 _____ Date	650-363-4891 _____ Telephone
Robert Adler, Assistant Controller _____ Name and Title of Authorized Agent		



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LOCAL ASSISTANCE MONITORING BRANCH
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MATHER, CALIFORNIA 95655
PHONE: (916) 845-8120 FAX: (916) 845-8380

August 4, 2009

Mr. James C. Porter, PE
Director of Public Works, San Mateo County
555 County Center, 5th Floor
Redwood City, CA 94063

SUBJECT: AUDIT REPORT FOR THE PERIOD ENDED JUNE 30, 2008

Dear Mr. Porter:

The California Emergency Management Agency (CalEMA), formerly the Governor's Office of Emergency Services, has received and reviewed the November 25, 2008 Management Letter for the above-referenced audit report. In the Management Letter (Recommendation 2008-3), the auditor stated, "[the Medical Center's] management does not have a mechanism in place for efficient tracking and monitoring of individual grant awards and related expenses." County management concurred and noted that, "this is a countywide issue and is being addressed at that level."

44 CFR 13.20(b)(1) states, "Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant." In addition, 44 CFR 13.20(b)(2) provides guidance for subgrantees' financial management systems. 44 CFR 13.20(b)(2) states, "Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

Based upon the Auditor's recommendation and County Management's response, CalEMA is requesting a Corrective Action Plan (CAP) describing corrective action taken to bring the City's financial management systems into compliance with those laws and regulations applicable to subrecipients of federal funding. Please refer to the attached Subrecipient Corrective Action Procedures when preparing the requested CAP. The CAP should be submitted by September 8, 2009 to:

California Emergency Management Agency
Local Assistance Monitoring Branch
Attn: Joel Ryan
3650 Schriever Avenue
Mather, CA 95655

In the event you have any questions or concerns regarding this issue, please contact Joel Ryan, CalEMA Local Assistance Monitoring Branch at (916) 845-8165 or joel.ryan@oes.ca.gov.

Sincerely,

A handwritten signature in cursive script, reading "Catherine Lewis".

CATHERINE LEWIS
ACTING BRANCH CHIEF

Subrecipient Corrective Action Procedures

All grants administered by the California Emergency Management Agency (CalEMA) are subject to the many requirements found in federal and state laws, federal regulations (e.g., *Code of Federal Regulations*), federal requirements (e.g., *Office of Management and Budget Circulars*) and state policy guidance. Recipients of these grant funds (referred to as Subrecipients) are also subject to periodic reviews in the forms of audits and monitoring to assure compliance with all applicable requirements. Such reviews often result in the identification of “Findings of Non-Compliance.”

“Findings of Non-Compliance” may originate from several different types of reviews, including audits (Office of Management and Budget Circular A-133 or grant-specific), desk compliance reviews and field compliance reviews. Findings are defined as discoveries that, within the context of any review process, represent operational deficiencies or errors, material program weaknesses or unacceptable program liabilities that would probably result in questioned grant costs or, collectively characterize a significant risk to program integrity.

This document provides instructions to Subrecipient regarding CalEMA requirements for corrective action(s) relative to review “Findings.” Whenever a Finding is issued against a grant, the Subrecipient is required to formally respond and demonstrate either the Subrecipient’s completed or proposed corrective actions. In simple terms, corrective action identifies the “who did what to address the issue?” referenced in the Finding, and “when was it done, or when will it be completed?”

By answering such questions, the Subrecipient develops a Corrective Action Plan (CAP) that provides detailed information for the activities either completed or planned to address the issue(s) referenced in the Finding. In order to expedite this response process, CalEMA has developed a sample plan format with detailed instructions.

For Non-Compliance Findings that have not been resolved, laws and regulations permit the CalEMA and the Subrecipient to enter into a formal compliance agreement that is represented by the Subrecipient’s CAP. An approved CAP allows the CalEMA to suspend enforcement actions for up to 180 calendar days, pending resolution of outstanding Findings. The CalEMA is obligated to resume enforcement actions if a Subrecipient CalEMA does not resolve the Non-Compliance Findings before the end of the CAP.

In order to determine if the Subrecipient’s Corrective Action Plan is sufficient, the CAP must:

- Identify the original Finding(s) of Non-Compliance, including specific identifiers listed in the report (e.g., Finding #1) and the terms of non-compliance.
- Identify the Subrecipient staff responsible for corrective action, including title and complete contact information.
- Describe the specific corrective action taken (or to be taken) for each Finding.
- Show the planned completion date for each major activity.
- Include documentary evidence to verify compliance of Findings that have been resolved.
- Include the signature of an authorized agent of the Subrecipient.

When the CAP is received, CalEMA staff will determine whether the Plan reasonably and sufficiently addresses the Non-Compliance Findings. The CalEMA will notify the Subrecipient if the CAP is approved, or, if further information or documentation is required.

For each Finding where the Subrecipient has proposed planned activities, the CAP must be re-submitted before the ending date (180 days), indicating that planned activities have been completed with a certification that the Subrecipient became compliant, along with the applicable date(s) and documentary evidence to verify compliance.

Please submit the original CAP to:

California Emergency Management Agency
Local Assistance Monitoring Branch
Attn: Joel Ryan
3650 Schriever Avenue
Mather, CA 95655

Subrecipient Corrective Action Plan

Submit an original and one copy of a “**Subrecipient Corrective Action Plan**” to the California Emergency Management Agency (CalEMA):

Grant Numbers	Review Period
Various	July 1, 2007 – June 30, 2008

For each review Finding, please provide the following information:

Finding: <i>(please include any identifiers included in the report, along with citations as appropriate)</i>	
Contact Name & Title: <i>(this is the person(s) responsible for completing resolved or planned corrective action)</i>	Contact Information: <i>(please provide phone number and e-mail address for each contact)</i>
Corrective Action(s): <i>(include specific objectives and activities completed or planned to address the Finding, with actual or estimated dates)</i>	
Objective or Activity:	Date:

Required Signature: The Subrecipient authorized agent certifies that all corrective action(s) have been, or will be, implemented as specified:

 Signature of Authorized Agent

 Date

 Telephone

 Name and Title of Authorized Agent



CALIFORNIA EMERGENCY MANAGEMENT AGENCY
LOCAL ASSISTANCE MONITORING BRANCH
3650 SCHRIEVER AVENUE
MATHER, CALIFORNIA 95655
PHONE: (916) 845-8120 FAX: (916) 845-8380

July 23, 2009

*received mgmt letter
on 7/28/09*

Mr. James C. Porter, PE
Director of Public Works, San Mateo County
555 County Center, 5th Floor
Redwood City, CA 94063

SUBJECT: AUDIT REPORT FOR THE PERIOD ENDED JUNE 30, 2008

Dear Mr. Porter:

The California Emergency Management Agency (CalEMA), formerly the Governor's Office of Emergency Services, has received and reviewed the above subject audit report issued by Macias, Gini, & O'Connell on November 25, 2008. The report indicates there were certain issues involving internal control reported to management in a separate letter dated November 25, 2008.

OMB Circular A-133, §____.310 (f) states, "...auditees shall submit the appropriate copies of the reporting package described in paragraph (c) of this section and, if requested, a copy of any management letters issued by the auditor." In accordance with the Circular, please submit a copy of the November 25, 2008 management letter to CalEMA by August 21, 2009. The copy should be sent to:

California Emergency Management Agency
Local Assistance Monitoring Branch
Attn: Joel Ryan
3650 Schriever Avenue
Mather, CA 95655

In the event you have any questions or concerns regarding this issue, please contact Joel Ryan, CalEMA Local Assistance Monitoring Branch at (916) 845-8165 or joel.ryan@oes.ca.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Catherine Lewis".

CATHERINE LEWIS
ACTING BRANCH CHIEF